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# the AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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Central market prices for several farm products have risen with the passing of the fall peak in marketings. Farmers' prices in the first few months of 1956 are likely to average a little above the December, 1955 low.

December estimates showed in 1955 that farmers got highest average yields in history on smallest acreage harvested since 1940. Crop output climbed 4% above 1954 to nearly equal 1948 peak. Production of livestock products gained 2 1/2%.

Big output plus big stocks produced declining farm prices during most of 1955. Declines from December, 1954 to December, 1955 were made by: Wool, 23%; meat animals, 21%; potatoes, sweetpotatoes and dry beans as a group, 21%; feed grains, 18%; oil seeds, 17%; food grains, 8% and cotton, 4%.

In the plus column for 1955 were: Poultry and eggs, 32%; tobacco, 6%; commercial vegetables, 5%. Prices for dairy products averaged about the same as in December, 1954.

Consumer demand, strong throughout 1955, is off to an auspicious start for 1956. Consumer income and nonfarm employment were at peak rates as 1955 ended. So were industrial production, retail sales, and business investment. Business inventories, though increasing, are not high relative to sales. However, home starts are down and demand for automobiles has eased.

LIVESTOCK. Cattle slaughter this winter will equal or exceed last winter... hog slaughter will be up because of 12% gain in 1955 fall pig crop. While seasonal increases are expected, prices of both will stay below a year ago this winter.

In second half of 1956, slaughter is likely to fall below 1955. This spring's pig crop--to be marketed in last half of year--will be down 2%, according to producer's plans. Fewer fed cattle than last year are likely to be sold.

DAIRY PRODUCTS. Record output per cow is keeping milk production at peak rates. Use in fluid form is running well above a year earlier. More is moving into consumption through commercial channels and more is being drunk by children and by military personnel under the special milk program.

EGGS AND POULTRY. Prices of eggs dropped in early January and probably will continue to decline as production increases seasonally. The average price received by farmers in mid-December--47.1 cents per dozen--was the highest of 1955.

About a third more broilers than a year earlier are now growing in 22 States. Prices averaged 19.4 cents per pound in mid-December, a dime less than the 1955 high in mid-March.

Farmers reported to USDA that they intend to raise 67 million turkeys in 1956 compared with 63 million in 1955. Prices of 1955 crop turkeys rose after Thanksgiving to reach the highest levels of the season so far.



WHEAT. Cash prices for hard and soft winter wheat are only slightly below the highest so far this marketing year. No. 1 Dark Northern spring wheat at Minneapolis, however, is still below the September high.

RICE. Producers will vote January 27 on marketing quotas for the 1956 crop. A national acreage allotment of 1,639,084 acres has been proclaimed, 15% less than 1955 allotment. Minimum support level for the 1956 crop has been set at \$4.04 per cwt, compared with \$4.66 for 1955 crop.

Supply of rice for 1955-56 is estimated at 83.6 million cwt., 11 1/2 million more than last year. 1955 crop was 10.8 million cwt. smaller than 1954 crop but August 1, 1955 carryover of 29.9 million was nearly 4 times stocks a year earlier. A further increase in the carryover is likely this year.

VEGETABLES. Larger acreage is expected for the winter crop of vegetables for fresh market. Among the important crops, increased production is expected for cabbage, cauliflower, celery, sweet corn, escarole and lettuce; lower production for snap beans, carrots, spinach and tomatoes.

FRUIT. Prices for oranges are running well above a year earlier and are expected to continue to do so this winter. Demand for oranges for processing is stronger than last winter, consumer demand is continuing strong and an export program is in operation.

Storage stocks of frozen fruits and berries on January 1 were about 10% above a year earlier. Holdings of strawberries, the biggest item, were up 24%.

OILSEEDS. Strong domestic and export demand has kept soybean prices a little above support so far this marketing year. The 75 million bushels crushed in October-December were a record for the quarter by a wide margin. The 32 million bushels exported topped by 5 million former October-December peak reached in 1954. Movement of crop so far indicates carryover from big 1955 crop won't be particularly large.

Flaxseed prices are above support as result of the considerable increase since last September. Prices usually rise during the fall. This year, they have been stimulated by higher prices in world markets and by movement of flaxseed under support.

FEED. Corn has led the advance in prices of feed grains and byproduct feeds in recent weeks. Oats are above support support levels...sorghum grain and barley at support...corn considerably below. Prices still average below a year earlier...feed grain prices to farmers and wholesale prices of high protein feeds were down 18% in December.

Large quantities from 1955 feed grain crops have gone under support. This includes a record quantity of sorghum grains and much more corn than a year earlier. Less oats and barley have gone under support than a year ago but more than in the same period of any other year.

COTTON. Rate of U.S. mill consumption has increased so far in 1955-56 but exports are down sharply. About 5.2 million bales of 1955 cotton had gone under loan by December 23, raising total holdings of CCC to 13.2 million bales, an all time high. These holdings are likely to be reduced by the end of the marketing year.

TOBACCO. Prices for 1955 crop burley have averaged 58½¢ per pound with over nine-tenths of the crop sold. This is 17% above a year earlier. The 1955-56 supply is slightly below the 1954-55 record. Acreage allotments for most farms for 1956 are 15% less than a year earlier.

Supplies of fire-cured, dark air-cured and sun-cured are above 1954-55. The 1956 acreage allotments for these types are 15 to 20% below 1955.